

SAE Guidebook, Lesson RK.4

What is a Business Agreement and How Do we Prepare One?

Unit. Record Keeping

Problem Area. What is a business agreement and how do you prepare one?

Student Learning Objectives. As a result of this lesson, the student will...

1. Define the term business agreement
2. Give five examples of business agreements
3. List three reasons why business agreements are needed



Time

Instruction time for this lesson: 50 minutes



Resources

<http://www.cals.ncsu.edu/agexed/sae/toolbox/index.html>



Tools, Equipment and Supplies

Writing Surface

Overhead Projector

RK.4.TM.A-C

RK.4.SA.A

SAE.6.Form.A

RK.4. Form A (training agreement.pdf) (on this CD)

RK.4. Form B (<http://www.mcps.k12.md.us/departments/forms/pdf/280-81.pdf>)

RK.4.Assess



Key Terms

The following terms are presented in this lesson and appear in bold italics:

- ***Business Agreement***



Interest Approach

Activity

This class will start with several role playing situations. Appoint one student to be Judge Judy. This student will preside over the role playing situation and will need to be able to think on her feet and not be afraid to ask questions.

There are three disputes over which Judge Judy will preside. Pick students to play the role of the individuals mentioned in case studies 1, 2 and 3, which are found on RK.4.SA.A. You might want to duplicate these so all the class members have them. Have the students enact each situation. Judge Judy should ask a variety of questions to arrive at a decision.

In each case the primary problem was that there was no written agreement. A written agreement should have prevented the problems from occurring.

Summary of Content and Teaching Strategies

OBJECTIVE 1: Define the term business agreement.

Display RK.4.TM.A. and discuss the definition of business agreement. Keep the bottom of the transparency covered.

RK.4.TM.A. (top half)

What is a Business Agreement?

A **Business Agreement** is a written document signed by two or more people that contains details about the operation of a business venture.

Divide the class into small groups and ask them to brainstorm for 5 minutes on the types of items that might be found in a business agreement. Since there are so many types of business agreements, there could be a large variety of items that could be found in a business agreement. After 5 minutes, have each group of students make a list on the writing surface of the items they have developed.

Display the bottom of RK.4.TM.A. to see if the students have identified these possible business agreement items. Discuss the items the students haven't yet identified.

RK.4.TM.A. Bottom half

What types of details are in a business agreement?

The details found in a business agreement can vary greatly depending upon the type of agreement. Some sample items found in business agreements might be:

- Hourly wage to be paid
- What products will sell for
- The number of treatments to be applied

- Total cost of the job
- When payments are due
- The amount of time to be covered by the agreement
- Who is to provide what in the business
- Work to be performed
- How work is to be evaluated
- The cost of using land or equipment that belongs to others
- Who will supply the feed, seed, fertilizers
- How the agreement can be voided or renewed
- Amount of interest to be paid
- How expenses and income are to be shared or handled
- Acreage or square feet involved
- Deadlines for completing the work
- Are there provisions for overtime?
- Who will provide insurance?

OBJECTIVE 2: Give five examples of business agreements.



There are a lot of different types of business agreements. Who can identify a type of business agreement? A contract to buy a car is a business agreement. A promissory note to buy a riding lawnmower is a business agreement. Let's discuss some of the different types of business agreements.

Display RK.4.TM.B and Discuss.

RK.4.TM.B.

Examples of Types of Business Agreements

SAE Agreement Plan
 SAE Training Plan
 SAE Training Agreement
 Partnership
 Lease of Property
 Bill of Sale
 Sales Contract
 Deeds
 Employment Forms
 Incorporation Papers
 Power of Attorney
 Promissory Note
 Real Estate Contract
 Confidentially Agreement



Who can tell me the difference between an SAE Agreement Plan, SAE Training Plan, and SAE Training Agreement?

Write the definitions on the writing surface, discuss each, and pass out samples of each: SAE.6.Form.A. (contained in this lesson)

RK.4. Form A

(training agreement.pdf – on this CD)

RK.4. Form B

(<http://www.mcps.k12.md.us/departments/forms/pdf/280-81.pdf>)



SAE Agreement Plan

This document describes in detail what the student will do for his/her SAE program. The student, parent, teacher, employer or other people involved in the SAE sign it.



SAE Training Agreement

For students with SAE Placement programs, a training agreement is used. This document tells how many hours a week the student will work and the rate of pay. It lists the general responsibilities expected of each party.



SAE Training Plan

This agreement accompanies the SAE Training Agreement and lists the specific job skills the student is to learn on the job. There should be a variety of jobs to be learned. Safety instruction should also be included in the training plan.

OBJECTIVE 3: List three reasons why business agreements are needed.

Display RK.4.TM.C and Discuss.

RK.4.TM.C.

Why is a Business Agreement Needed?

- To prevent misunderstandings
- To protect the rights of everyone
- To keep people from being cheated
- To keep people from going back on their word



Review/Summary

Ask members of the class to list the “bad things” that can happen if there is no written business agreement in a business. Distribute and administer Rk4.Assess.



Application

Extended Classroom Activity:

A number of business agreements were listed on RK.4.TM.B that were not discussed. These include:

Partnership
Sales Contract

Lease of Property
Deeds

Bill of Sale
Employment Forms

Incorporation Papers
Real Estate Contract

Power of Attorney
Confidentially Agreement

Promissory Note

Assign each term to 1-2 students to look up and report back to class. The student should briefly describe the purpose of the agreement.

FFA Activity:

There is none for this lesson.

SAE Activity:

If the student has not yet obtained a signed business agreement for his or her SAE program, now is the time to do it.

Evaluation:

RK.4.Assess

Answers to Assessment:

1. What is a business agreement? (3 points)

A Business Agreement is a written document signed by two or more people that contains details about the operation of a business venture.

2. List three reasons why a written business agreement is needed. (6 points)

- To prevent misunderstandings
- To protect the rights of everyone
- To keep people from being cheated
- To keep people from going back on their word

3. Give three examples of business agreements (6 points)

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SAE Training Plan
SAE Training Agreement
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Lease of Property
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Judge Judy

There is a television show called “Judge Judy”. In this show Judge Judy solves disputes between people. The next three cases have situations where there is a dispute between two people. You are to read each situation and then make a ruling as if you were Judge Judy.

Case 1 – Should it be 50-50?

Bruce and John decide to form a partnership called B & J Lawn Care Service. Bruce has a truck and John has a lawn mower, blower and other equipment. Whenever B & J does a job, Bruce insists on keeping 60% of the money since he provides the transportation. John thinks the profits should be split 50-50.

What is your ruling?

How could this problem have been prevented?

Case 2 – The Hungry Neighbor

Tom asked a neighbor if he could plant a garden on some vacant land the neighbor owned. The neighbor said “sure”, so Tom planted the garden. When the produce got large enough to harvest, the neighbor went out and harvested half of the produce! He said he deserved it since the land was his. Tom didn’t think so.

What is your ruling?

How could this problem have been prevented?

Case 3 – The Disputed Pay Check

Bonnie started work at Bob’s Florist. When her first paycheck came, she was shocked. She thought she was being paid \$7.50 an hour. She was actually being paid \$5.75 an hour.

How much should Bonnie be paid?

How could this problem have been prevented?

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What types of details are in a business agreement?

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SAE6.Form.A



Supervised Agricultural Experience (SAE) Program Agreement Sheet

The Supervised Agricultural Experience Program consists of planned activities conducted outside of class time in which the student develops and applies agricultural knowledge and skills. The SAE program is an integral part of the total agricultural education program. The purpose of the SAE program is to make learning more relevant and to provide the student with real world experiences, which will help the student select a career, secure employment or prepare for further education. A quality SAE program will contain a variety of experiences. The teacher will supervise the program. The following agreement form has been developed so that all parties involved in the SAE program will know exactly what has been planned.

This agreement shall be in effect for the _____ school year.

The student's SAE program will consist of (list all the different activities in which the student will be involved. Be specific. Examples: grow a 20' x 20' garden, raise two show lambs, work 20 hours a week at Johnson's Farm Supply Store, conduct an experiment with light intensity on plants, landscape the home, etc.).

The materials for each of the SAE activities will be provided by (list who will provide the materials required for each activity).

For activities in which a profit (or loss) might occur, describe who will receive the gain or how it will be divided.

Signatures:

Student _____ Date _____

Parent or Guardian _____ Date _____

Other People who might be involved _____ Date _____

Agriculture Teacher _____ Date _____

RK.4.Assess

Business Agreements (15 points possible)

Short Answer

1. What is a business agreement? (3 points)
2. List three reasons why a written business agreement is needed. (6 points)
3. Give three examples of business agreements. (6 points)